

TAX ON ELECTRONIC CIGARETTE PRODUCTS FREQUENTLY ASKED QUESTIONS

1. What is an Electronic Cigarette Product?

The term **Electronic Cigarette Product** means any product containing or delivering nicotine or any other substance intended for human consumption that can be used by a person to simulate smoking through inhalation of vapor or aerosol from the product. The term includes any such device, whether manufactured, distributed, marketed, or sold as an e-cigarette, e-cigar, e-pipe, e-hookah, or vape pen, or under any other product name or descriptor. It also includes any refill, cartridge, or any other component of an Electronic Cigarette, or accessory of an Electronic Cigarette whether or not sold separately.

2. What is a Dealer?

Dealer means any person who engages in a retail business.

3. What is a Distributor?

Distributor means a person who supplies an electronic cigarette product to a Dealer in the County; or a person who supplies and services a vending machine with an electronic cigarette product.

4. Who is liable for the excise tax?

The tax is imposed on every Distributor who supplies an Electronic Cigarette Product to a Dealer in the Montgomery County, Maryland. However, if you are a Dealer, and if your Distributor does not pay the tax, and does not file an Electronic Cigarette Distributor Certification form with the County Department of Finance, then as a Dealer, you are obligated to pay the tax based on the Wholesale Price you paid to the Distributor. [Click here for Electronic Cigarette Distributor Certification.](#)

5. How much is the excise tax on Electronic Cigarette Products?

The Tax rate for Electronic Cigarette Products is 30% of the wholesale price.

6. What is the “Wholesale Price”?

“Wholesale Price” means the price that a Dealer, in Montgomery County, Maryland, pays its Distributor for electronic cigarette products.

7. What if some of my sales are as a Distributor, but others are as a Dealer?

- a. For sales as a Distributor, you are the taxpayer and you should pay the tax on the amount the Wholesale Price.
- b. For sales to retail customers where you act as a Dealer, the tax should be paid by the Distributor who sold the Electronic Cigarette Products to you, and the tax the Distributor pays is based on the Wholesale Price that you paid to the Distributor. If your Distributor does not pay the tax, and does not provide you with a Certificate showing that they pay the tax, then as a Dealer, you are obliged to pay the tax based on the Wholesale Price you paid to the Distributor.

8. As a Dealer am I liable for the excise tax?

As a Dealer you are liable for the payment of tax unless you obtain from the Distributor a written certification in a form approved by the Director of Finance of Montgomery County, Maryland. [Click here for Electronic Cigarette Distributor Certification.](#)

9. How do I obtain a written certification form?

To access the Electronic Cigarette Distributor Certification Form [Click here.](#)

10. As a Dealer do I need to fill out the Electronic Cigarette Distributor Certification Form?

No, the Distributor will need to fill it out, sign it and then you will present it to the County.

11. What happens if I purchase my products online and cannot obtain an Electronic Cigarette Distributor Certification Form from the Distributor?

If the online Distributor does not provide you with the certification that they will pay tax to the County, as a Dealer you are liable for the tax.

12. What is the filing frequency and when is the tax payment due date?

The filing frequency is monthly and the tax is due and payable for each month on or before the last day of the following month.

13. Do I need to file a return if I do not have any sales in the County for the month?

Yes, a monthly return must be filed even if no tax is due for that specific month. Put a "0" amount in the Total Sales field and still finish the payment process.

14. Is there a form to fill out to remit the tax?

No, there is no form. You must register online as an Electronic Cigarette Products taxpayer and use the online payment system, which is an ACH system. For more information and detailed instructions on how to register, setup an account and use the eCig Tax Application [Click here.](#) To remit payment via a secure payment system [Click here.](#)